

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the Matter of:

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|-------------------------------|---|-------------------------------------|
| PASTORIA ENERGY FACILITY |) | Docket No. 99-AFC-7C |
| |) | Order No. 04-1215-04 |
| |) | |
| PASTORIA ENERGY FACILITY, LLC |) | ORDER APPROVING A TEMPORARY |
| |) | INCREASE IN EMISSIONS DURING |
| |) | COMMISSIONING |
| |) | |
| |) | |

The Pastoria Energy Facility, LLC, a wholly-owned affiliate of the Calpine Corporation and owner of the Pastoria Energy Facility, filed a petition on September 15, 2004, requesting a temporary increase in nitrogen oxides and carbon monoxide emissions during the commissioning phase that will include steam blows, tuning, and testing of all equipment prior to commercial electrical generation. The San Joaquin Valley Air Pollution Control District approved a variance allowing for this temporary increase in emissions on October 13, 2004.

STAFF RECOMMENDATION

The Energy Commission staff reviewed the petition and finds that it complies with the requirements of Title 20, Section 1769(a) of the California Code of Regulations and recommends approval of Calpine's petition to modify the Pastoria Energy Facility and recommends approval of new air quality conditions of certification AQ-87 and -88.

COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed changes will not result in any significant impact to public health and safety, or the environment. The Energy Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769(a) of the California Code of Regulations concerning post-certification project modifications.
- The modification will not change the findings in the Commission's Final Decision pursuant to Title 20, section 1755.
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code section 25525;

- The change will be beneficial to the project owner by allowing for operational efficiency during the commissioning phase; and
- There has been a substantial change since the Energy Commission certification based on the project owner's re-evaluation of operational information that was not available during the siting process.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the following changes to the Pastoria Energy Facility's Decision.

NEW AIR QUALITY CONDITIONS OF CERTIFICATION

New text is underlined:

AQ-87 Relief granted by the San Joaquin Valley Unified Air Pollution Control District Hearing Board on October 13, 2004 in Regular Variance Docket No. S-04-48R and Docket No. S-04-49R shall apply to Conditions of Certification AQ-4, AQ-12, AQ-14 through AQ-17, AQ-19, AQ-24, AQ-28 through AQ-30 and AQ-37. The Project Owner shall comply with all requirements and conditions incorporated into these regular variances.

Verification: The Project Owner shall submit copies of all notifications and reports required under these regular variances to the CPM. The Project Owner shall notify CPM within 5 days of any requested changes to these variances.

AQ-88 During the commissioning periods of both Power Block I and Power Block II, emission rates from each CTG shall not exceed 308 lbs/hour of NOx and 2,527 lbs/hour of CO, and the combined emission rates from all three CTGs shall not exceed 342 lbs/hour of NOx and 2,577 lbs/hour of CO.

Verification: The Project Owner shall provide, within 24 hours of occurrence, notification to the CPM of any noncompliance with the commissioning emission limits. The Project Owner shall provide the CPM with copies of any emission reduction credit certificates that are surrendered to the District for excess NOx emissions.

IT IS SO ORDERED.

Date: December 15, 2004

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

WILLIAM J. KEESE, Chairman